

ASX ANNOUNCEMENT
4TH FEBRUARY 2011

**OROCOBRE LIMITED ANNOUNCES C\$20 MILLION “BOUGHT DEAL”
FINANCING IN CANADA AND A\$15 MILLION PRIVATE PLACEMENT IN
AUSTRALIA**

Not for distribution to United States newswire services or for dissemination in the United States

OROCOBRE LIMITED (ASX:ORE, TSX:ORL) is pleased to announce that it has entered into an agreement with a syndicate of investment dealers led by Cormark Securities Inc. and Dundee Securities Limited and including Canaccord Genuity Inc., CIBC World Markets Inc. and Byron Securities Limited, which have agreed to purchase, on a bought deal basis, 6,250,000 ordinary shares of Orocobre at a purchase price of C\$3.20 per share, for aggregate gross proceeds of C\$20 million.

In addition, the Company has granted the underwriters an option to purchase, in whole or in part, up to an additional 937,500 shares (representing 15% of the base offering) at the offering price for additional aggregate gross proceeds of up to C\$3 million to cover over-allotments, if any and for market stabilization purposes. The over-allotment option is exercisable, in whole or in part, on the closing of the offering and at any time for a period of 30 days thereafter.

The Canadian offering is scheduled to close on or about February 24, 2011 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

Orocobre has concurrently undertaken a placement to Australian institutional and sophisticated investors who have subscribed for 4,673,000 shares at a purchase price of A\$3.21 per share, for aggregate gross proceeds of approximately A\$15 million. The Australian placement is being lead managed by Patersons Securities Limited. Orocobre anticipates that the shares issued pursuant to the Australian placement will be allotted on February 11, 2011.

The shares issued pursuant to the Canadian offering, together with the shares issued pursuant to the Australian placement, may not exceed 15% of the currently outstanding ordinary shares of the Company.

The aggregate net proceeds of the Canadian offering and Australian placement will be used for detailed engineering design work, operation of the pilot plant and other project activities, production bore drilling and procurement of long lead items in relation to the construction of the Salar de Olaroz Project during the JV negotiation period with Toyota Tsusho, for the completion of property purchase contracts at the Olaroz Project, and for working capital and general corporate purposes.

The shares will be offered by way of a short form prospectus to be filed in all of the provinces

of Canada (other than the Province of Quebec) pursuant to National Instrument 44-101 Short Form Prospectus Distributions and in the United States on a private placement basis pursuant to an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended.

This press release shall not constitute an offer to sell or solicitation of an offer to buy the securities in any jurisdiction. The shares will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements.

About Orocobre:

Orocobre Limited is listed on the Australian Securities Exchange (ASX:ORE) and Toronto Stock Exchange (TSX:ORL) and is the leading lithium-potash developer in the lithium and potassium rich Puna region of Argentina.

Caution regarding forward-looking information:

This release contains "forward-looking statements" which reflect the current expectations of Orocobre, including expectations relating to closing of the offering and use of proceeds. When used in this release the words "will", "anticipate", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These statements reflect Orocobre's management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties, factors and assumptions. Accordingly, readers should not place undue reliance on forward-looking statements. Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this release.

The forward-looking statements contained in this release are expressly qualified in their entirety by this cautionary statement. Although the forward-looking statements contained in this release are based upon what Orocobre believes to be reasonable assumptions, Orocobre cannot assure investors that actual results, performance or achievements will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this release and Orocobre does not assume any obligation to update or revise them to reflect new events or circumstances.

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